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CHAFEE SUPPORTS COMPROMISE FUEL EFFICIENCY PROPOSAL

Legislation Would Raise Car Efficiency Standards to 36 Miles Per Gallon

WASHINGTON, DC – U.S. Senator Lincoln Chafee today signed on to a bipartisan compromise proposal to increase automobile fuel efficiency standards in the United States to 36 miles per gallon by 2015.

"This is a terrific proposal that should be included in the energy bill that we send to President Bush," Chafee said. "Everyone involved in this compromise deserves our appreciation and support. Increased fuel efficiency standards will help us preserve our invaluable energy resources for future generations."

Chafee noted the international importance of tackling the fuel efficiency problem. "America is under a spotlight today. Our allies are questioning America's commitment to the global community. They are waiting to see how we respond to worldwide environmental problems."

"By demonstrating a real commitment to conservation through increasing oil savings and cutting the amount of greenhouse gases being emitted by American vehicles, we will help the United States become a better global citizen. Adopting these new efficiency standards will help put America back in the driver's seat of international efforts to reduce the rate of global climate change," Chafee concluded.

Senators John Kerry (D-MA) and John McCain (R-AZ) had both proposed significant increases in Corporate Average Fuel Economy (CAFE) standards, which would be included as part of comprehensive energy legislation currently being debated in the Senate. Today, at the urging of moderate members such as Senator Chafee, the two sides reached a compromise on a proposal to increase CAFE standards to 36 mpg by 2015.

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Corporate Average Fuel Efficiency (CAFE) Standards:

The Energy Policy and Conservation Act of 1975 established Corporate Average Fuel Economy (CAFE) standards for all new passenger vehicles. The current standard for passenger automobiles is 27.5 miles per gallon (mpg). The standard for light trucks, a classification that includes sports utility vehicles (SUVs), is currently 20.7 mpg. Since 1975, light trucks have been classified differently because of their traditional use for agricultural and commercial purposes and because they have constituted a relatively small portion of the U.S. automobile market.

In recent years, light trucks, including SUVs, have become a much larger portion of the total vehicle population. For example, in 1980, light trucks composed only 20% of the market. Today, this figure has increased to over 48%. These same vehicles are also allowed to emit greater amounts of pollution. Today, most SUVs and pickups, and all vans, are permitted to emit 29% to 47% more carbon monoxide and 75% to 175% more nitrogen oxides than passenger cars.

The CAFE Standards Compromise:

The compromise proposal developed by Senators Kerry and McCain would increase CAFE standards to 29 mpg by 2010 and 35 mpg by 2015. The restrictions apply to automobile fleets, not individual automobiles. Automakers will continue to be able to produce vehicles that exceed these standards, as long as the average of their entire fleet is in compliance.

The proposal also includes a provision that would allow automakers to trade greenhouse gas emissions credits with each other, and with other industries. Automakers whose fleets exceed the CAFE standards could “trade” credits with automakers or companies whose fleets are significantly below those standards. This system would be phased-in starting at 2 percent in 2007 to 10 percent in 2011.

It is estimated that this proposal would save approximately 2.6 to 2.8 million barrels of oil per day by 2020.

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